GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

JULY 24, 2001

Corps To Resume Upper Mississippi River Study

The U.S. Army Corps of Engineers intends to resume its Upper Mississippi River-Illinois Waterway study in an effort to develop navigation improvements that can be environmentally and economically justified. The Corps announced that instead of predicting barge traffic 50 years into the future, planners will look 10 to 20 years ahead to forecast grain shipments and recommend construction needed to keep barges moving without delays on the Mississippi and Illinois Rivers. Advocates of river construction, including Sen. Christopher "Kit" Bond, R-MO, applauded the resumption of the study. Bond called the move "common sense." Critics expressed doubt that the Corps would fairly assess the damage that locks and dams might do to the river. A Federal panel has been meeting with the Corps since spring to recommend better ways to conduct the study. The panel included members from USDA, the U.S. Department of Transportation, the Environmental Protection Agency, and the U.S. Department of Interior's Fish and Wildlife Service (USDA, Marketing and Transportation Analysis, Nick Marathon, Nick.Marathon@usda.gov, 7/25/01).

Production, Consumption and Flow Patterns of Texas Grain

In June, Stephen Fuller from Texas A&M University presented a study conducted by the Texas Department of Agricultural Economics at the Transportation Research Board's (TRB) 26th Annual Summer Ports, Waterways, Freight, and International Trade Conference in Galveston, TX. The study aims to identify Texas grain flow patterns and utilized transport modes. The following observations were made: (1) large quantities of rail-transported grain are received in Texas from out-of-State origins for consumption by its livestock, poultry, and dairy populations and for export via Gulf ports and Texas-Mexico border crossing sites; and (2) motor carriers were found to be central to transportation of Texas feed grains because most feed grains are consumed in State and motor carriers are the primary transport for Texas rice, as well as being important for Texas wheat production. However, since principal wheat markets are located some distance away, there is a dependence on railroads to access wheat markets. Railroads were found to not be competitive for hauls of less than 250 miles. Overall, trends in Texas feed grain production suggest a continued dependence on out-of-State grain supplies. Mexico is an increasingly important market for Texas feed grain and rice production. Implementation of North American Free Trade Agreement provisions regarding inter-country truck movements may have important implications (study can be found at ftp://ftp.dot.state.tx.us/pub/txdot-info/tpp/grainrpt.pdf).

Panama Canal Transits and Cargo Information

Grain and other commodities presented favorable trends in commodity flows for the first 8 months (October-May) of fiscal year 2001. Preliminary cargo statistics for this period reflect a 2.7-percent increase to 132.1 million commercial long tons compared to the 128.6 million long tons recorded during the same time-frame last year. Despite a rise in U.S. Gulf grain prices resulting from the closure of the upper Mississippi River in late April and early May due to heavy flooding, grain flows through the Panama Canal experienced an increase of 1.9 percent from the 27 million long tons recorded during the previous year (The Panama Canal Customer Newsletter, June 2001).

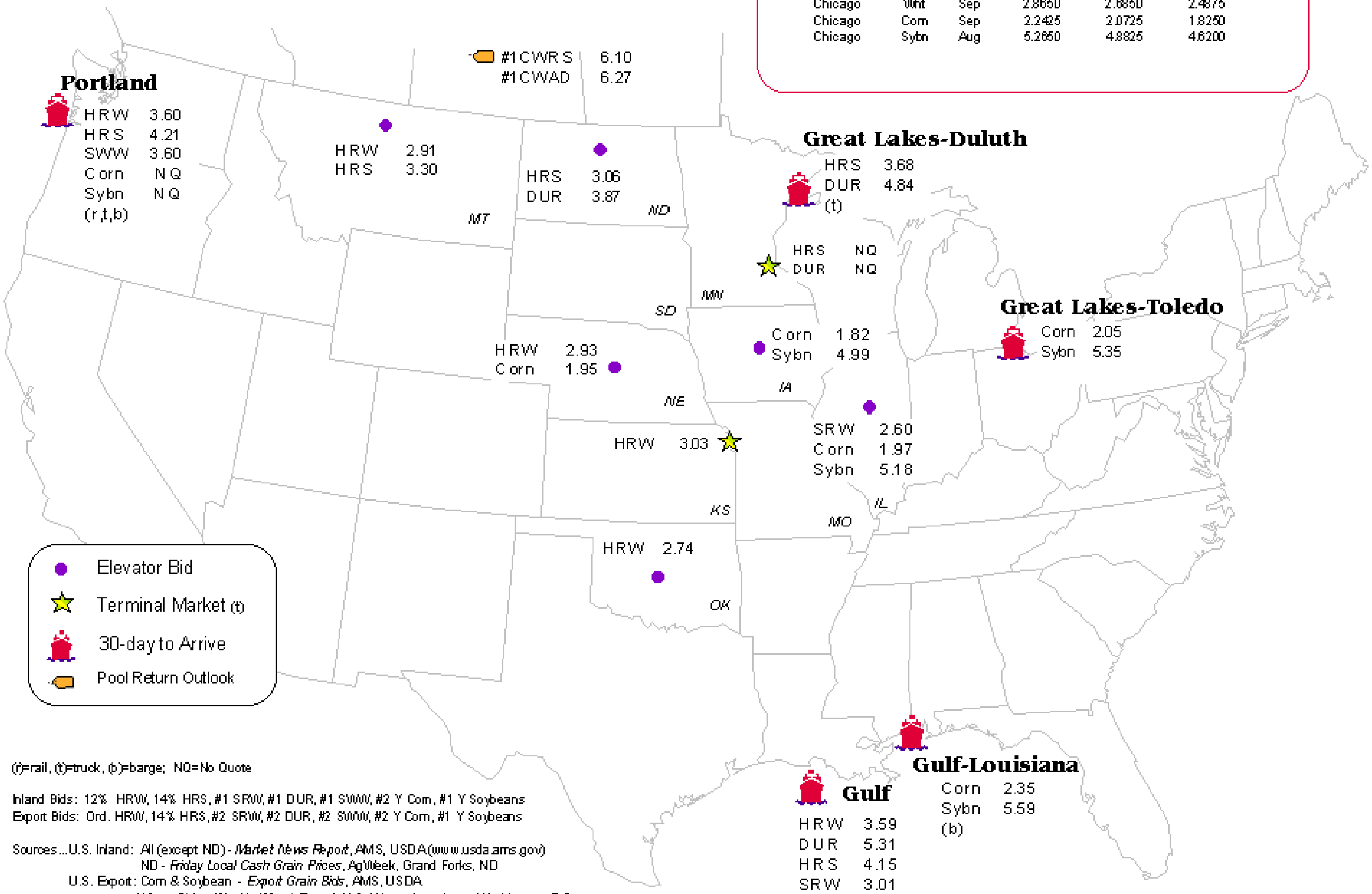
Voluntary Testing for Karnal Bunt in Texas

The Texas Department of Agriculture has set up a voluntary program for wheat producers to have their wheat seed tested for Karnal bunt. The program applies only to wheat seed produced and stored in non-regulated counties; mandatory testing by the USDA already exists in regulated Texas counties. Karnal bunt does not hurt people and animals that eat it, but it sours the taste and smell of flour. Infected kernels cannot be used in products for human consumption. Under the testing program, any seed testing positive for Karnal bunt spores cannot be planted and must be used for grain. Texas is the fifth largest wheat producer in the country, producing an average of $356 million worth of wheat last year. Much of the wheat is exported. Eighty countries ban imports of wheat grown in regions infected with Karnal bunt. Therefore, dozens of Texas farmers have diseased wheat that they are unable to sell (AP, 7/18/01, for more information http://www.agr.state.tx.us).

Report is prepared by Karl Hacker and Sigal Nissan, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments to Karl.Hacker@usda.gov .

Grain Bid Summary

Futures:			07/12/01	Week Ago 07/05/01	Year Ago 07/14/00
Kansas City	Wht	Sep	3.1775	3.0700	2.8850
Minneapolis	Wht	Sep	3.3125	3.2500	3.0925
Minneapolis	Dur	Sep	4.4000	4.4000	n.a.
Chicago	Wht	Sep	2.8650	2.6850	2.4875
Chicago	Corn	Sep	2.2425	2.0725	1.8250
Chicago	Sybn	Aug	5.2650	4.8825	4.6200

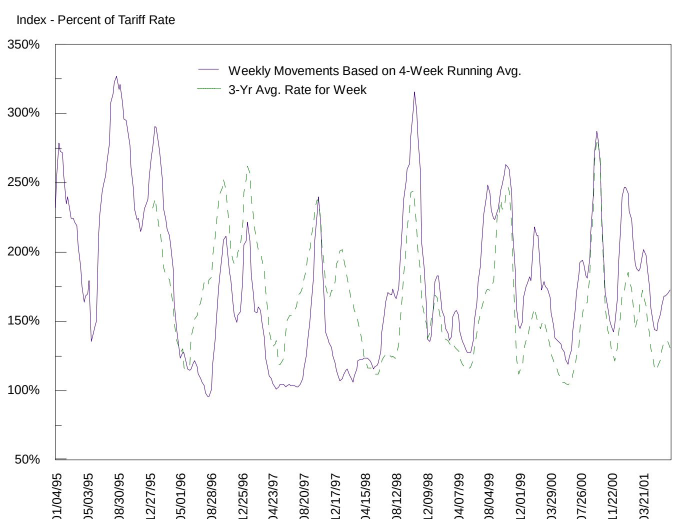


(r)=rail, (t)=truck, (b)=barge; NQ=No Quote

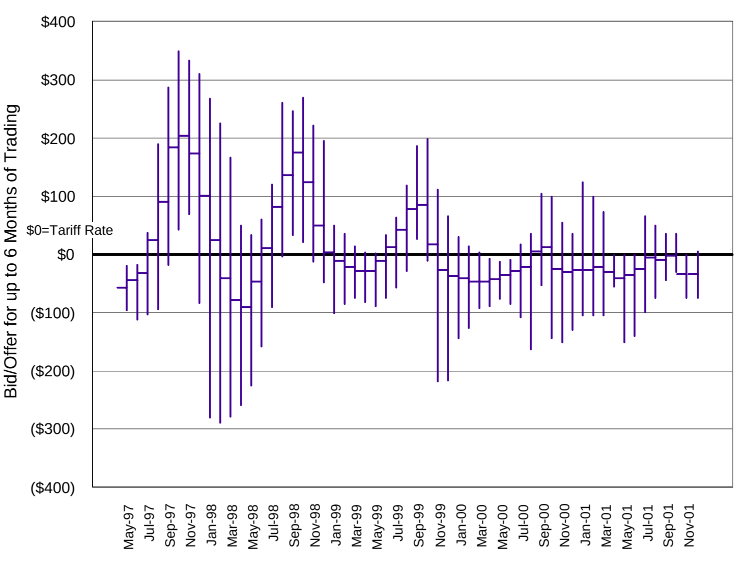
Inland Bids: 12% HRW, 14% HRS, #1 SRW, #1 DUR, #1 SWW, #2 Y Corn, #1 Y Soybeans
Export Bids: Ord. HRW, 14% HRS, #2 SRW, #2 DUR, #2 SWW, #2 Y Corn, #1 Y Soybeans

Sources...U.S. Inland: All (except ND) - *Market News Report*, AMS, USDA(www.usda.ams.gov)
ND - *Friday Local Cash Grain Prices*, AgWeek, Grand Forks, ND
U.S. Export: Corn & Soybean - *Export Grain Bids*, AMS, USDA
Wheat Bids - *Weekly Wheat Report*, U.S. Wheat Associates, Washington, D.C.
Canada: Bids in CAN$, Canadian Wheat Board, Winnipeg (www.cwb.ca)

Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings

Delivery for:	Aug-01		Oct-01	
	Offered	% Sold	Offered	% Sold
BNSF-COT	12,286	48%	14,109	52%
UP-GCAS	5,400	1%	5,400	2%

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

Secondary Rail Car Market

Average Premium/Discount to Tariff, $/Car - Last Week

	Delivery Period			
	Aug-01	Sep-01	Oct-01	Nov-01
BNSF-GF	$38	$43	$44	$12
UP-Pool	$68	$43	$39	$8

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;
GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, $/Car - Last Auction

Delivery for:	Sep-01	Oct-01	Nov-01
COT/N. Grain	$6	$6	no bid
COT/S. Grain	$0	$0	$0
GCAS/Region 2	no bid	no offer	no offer
GCAS/Region 4	no bid	no offer	no offer

Source: T&M/AMS USDA. Data from www.bnsf.com, www.uprr.com,
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal/Cash Basis Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

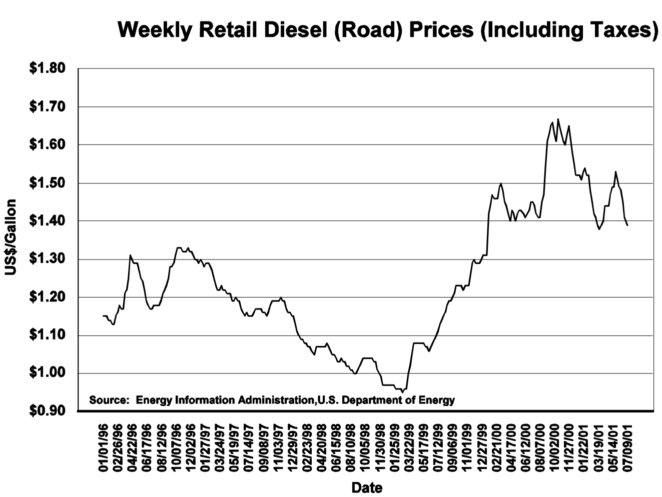
Week ended	River/Region	Contract Period	Rate: Futures	Rate: Cash
07/24/01	St. Louis	Aug	155	165
		Oct	200	220
		Dec	135	143
		Feb	135	0
		Apr	140	0
	Illinois River	Aug	185	193
		Oct	250	240
		Dec	163	173
		Feb	0	0
		Apr	0	0

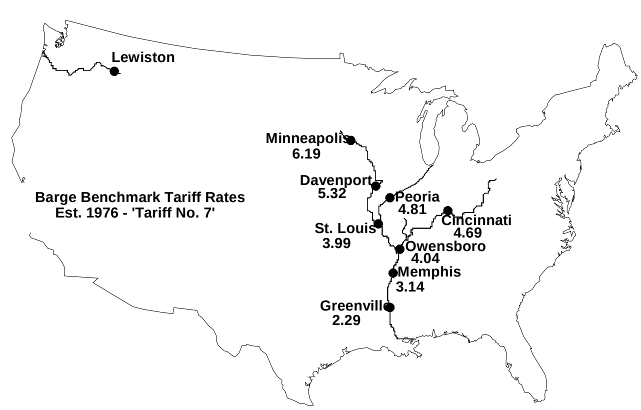
Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates

	7/18/01	7/11/01	Aug '01	Oct '01
Twin Cities	231	214	244	277
Mid-Mississippi	203	182	210	252
Illinois River	181	171	200	242
St. Louis	137	118	166	223
Lower Ohio	149	122	176	244
Cairo-Memphis	123	111	160	220

Source: Transportation & Marketing /AMS/USDA
nq=no quote;

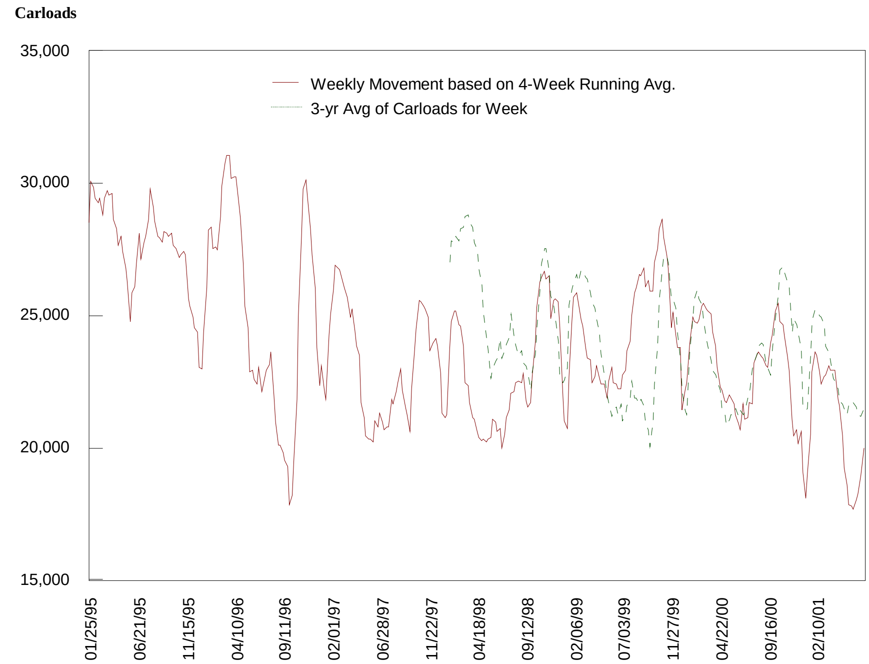




Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
6/30/01	21,692
07/07/01	18,367
07/14/01	22,226
Year to Date - 2001	586,867
Year to Date - 2000	646,782
Total 2000	1,188,917
Total 1999	1,270,375

Source: Association of American Railroads

Grain Car Loadings for Class I Railroads



Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

	East				West			Canada	
	Conrail	**CSXT**	**IC**	**NS**	**BNSF**	**KCS**	**UP**	**CN**	**CP**
07/14/01	0	2,633	0	3,552	7,909	423	7,709	5,522	4,538
This Week Last Year	0	2,955	1,768	2,934	7,079	619	6,228	2,691	4,793
2001 YTD	0	85,392	0	87,352	217,584	12,782	183,757	137,430	124,134
2000 YTD	0	78,483	49,607	81,657	214,837	15,314	206,884	75,091	126,272
2000 Total	0	147,708	70,155	153,905	425,849	26,515	364,785	160,749	239,670
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

June 2001

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
06/11/01	45560	Wheat	Minneapolis, MN	Houston, TX	$2,050	$22.60	$0.62
06/11/01	43521	Wheat	Minneapolis, MN	Portland, OR	$3,877	$42.74	$1.16
06/11/01	46540	Wheat	Kansas City, MO	Houston, TX	$1,650	$18.19	$0.50
06/11/01	43586	Wheat	Kansas City, MO	Portland, OR	$4,240	$46.74	$1.27
06/11/01	43581	Wheat	Omaha, NE	Portland, OR	$3,905	$43.04	$1.17
06/11/01	31040	Corn	Minneapolis, MN	Portland, OR	$2,900	$31.97	$0.81
06/11/01	31035	Corn	Kansas City, MO	Portland, OR	$2,700	$29.76	$0.76
06/11/01	31040	Corn	Omaha, NE	Portland, OR	$2,700	$29.76	$0.76
06/11/01	61180	Soybean	Minneapolis, MN	Portland, OR	$2,680	$29.54	$0.80
06/11/01	61180	Soybean	Omaha, NE	Portland, OR	$2,430	$26.79	$0.73
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	$2,780	$25.23	$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

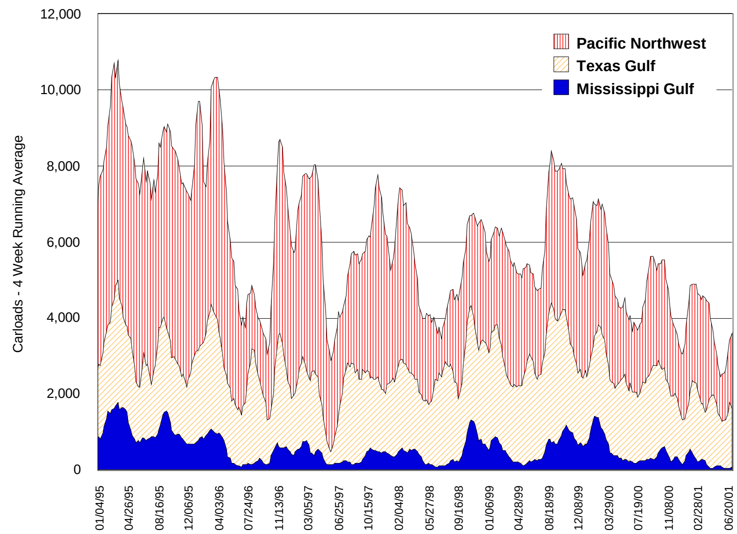
Rail Deliveries to Port
Carloads

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
06/13/01	2	1,607	1,101	55
06/20/01	103	1,142	1,791	102
06/27/01	34	2,031	1,784	705
07/04/01	31	2,142	1,968	139
07/11/01	140	879	2,345	309
07/18/01	101	762	2,460	403
YTD 2001	5,506	43,736	61,073	15,288
YTD 2000	17,901	58,986	75,119	7,742
Total 2000	25,675	105,308	129,464	14,816
Total 1999	30,038	132,069	161,492	14,446

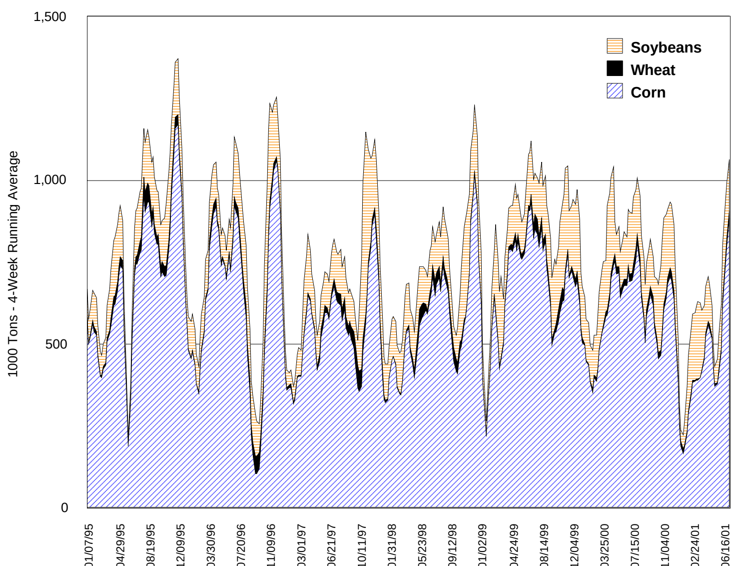
Source: Transportation & Marketing/AMS/USDA

(*) Incomplete Data
(**) Revised Data

Rail Deliveries to Port



Barge Movements - Locks 27



Barge Grain Movements
for week ending 7/14/01

	Corn	Wht	Sybn	Total
		1,000 Tons		
Mississippi River				
Rock Island, IL (L15)	407	11	54	472
Winfield, MO (L25)	521	29	92	641
Alton, IL (L26)	776	42	127	952
Granite City, IL (L27)	817	41	130	995
Illinois River (L8)	243	3	31	284
Ohio (L52)	31	15	3	51
Arkansas (L1)	0	21	0	21
2001 YTD	15,956	1,157	5,099	23,320
2000 YTD	17,670	1,145	5,049	24,834
Total 2000	33,482	2,518	10,327	48,247
Total 1999	36,711	2,883	9,771	51,887

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers; n/a=not available

U.S. Export Balances (1,000 Metric Tons)

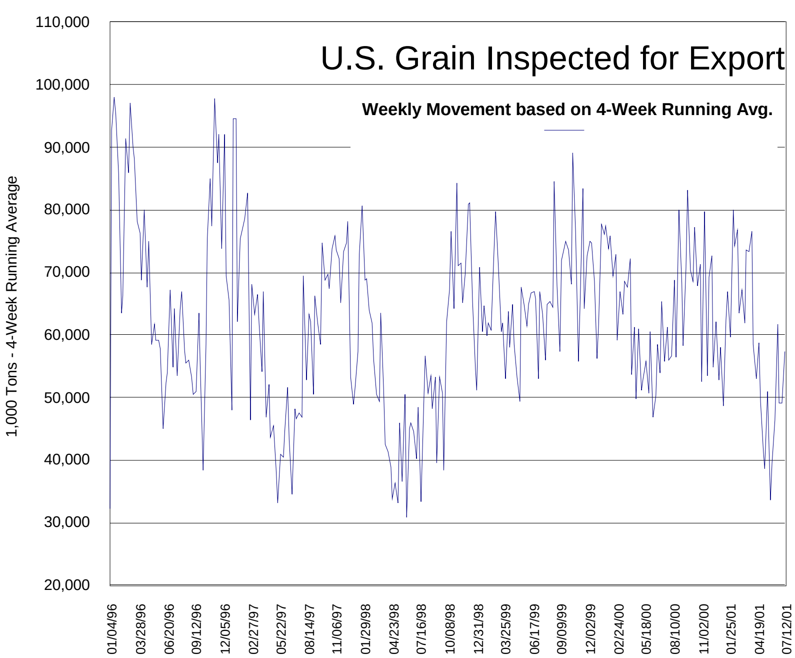
	Wheat						Corn	Soybean	Total
	HRW	*SRW*	*HRS*	*SWW*	*DUR*	*All*			
Unshipped Exports-Crop Year									
07/12/01	1,072	697	844	534	240	3,386	8,243	3,761	15,390
This Week Year Ago	964	564	828	645	239	3,239	8,245	2,949	14,433
Cumulative Exports-Crop Year									
00/01 YTD	870	443	476	308	95	2,193	39,080	25,633	66,906
99/00 YTD	1,193	686	656	413	58	3,005	41,668	17,713	62,386
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

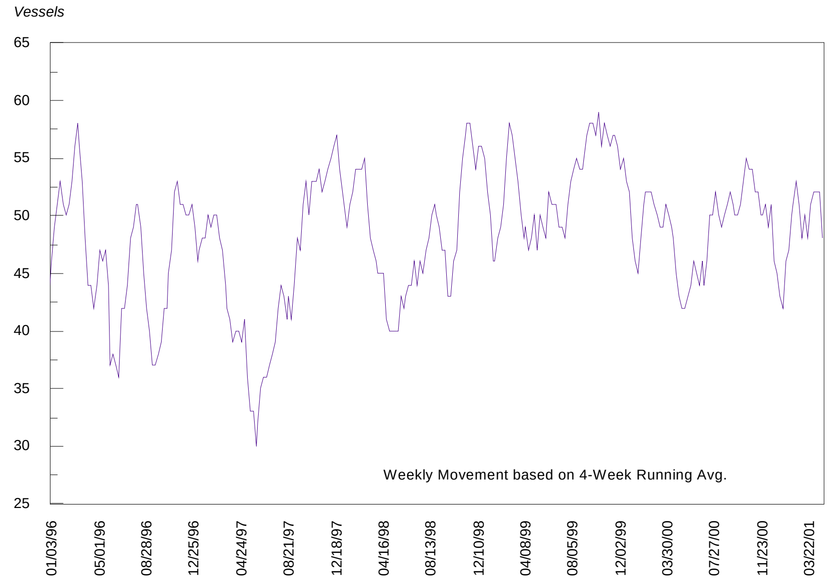
	Pacific Region			Mississippi Gulf			Texas Gulf		
	Wheat	*Corn*	*Soybean*	*Wheat*	*Corn*	*Soybean*	*Wheat*	*Corn*	*Soybean*
07/19/01	183	147	26	137	790	111	51	0	58
2001 YTD	5,285	2,712	1,285	3,047	17,911	8,596	3,028	171	837
2000 YTD	5,114	3,758	757	3,620	18,730	9,433	3,614	178	783
% of Last Year	53%	45%	75%	45%	51%	48%	44%	36%	83%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service YTD-Year-to-Date



Select Canadian Ports - Export Inspections
1,000 Metric Tons, Crop Year

	Wheat	Durum	Barley
Week Ended: 7/05/01			
Vancouver	5,735	508	1,229
Prince Rupert	2,053		2
Prairie Direct	1,223	365	493
Thunder Bay	726	235	107
St. Lawrence	2,416	2,122	25
2000 YTD Exports	12,153	3,230	1,856
1999 YTD Exports	13,498	3,352	1,632
% of Last Year	90%	96%	114%



Gulf Region Vessels Loaded - Past 7 Days-

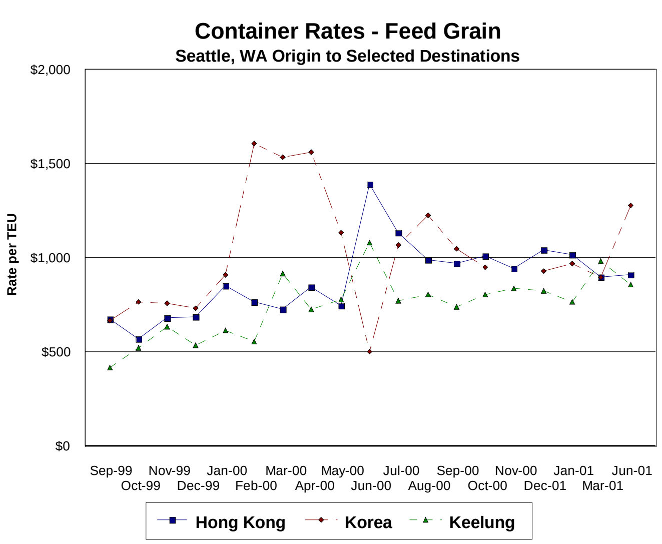
Port Region Ocean Grain Vessels

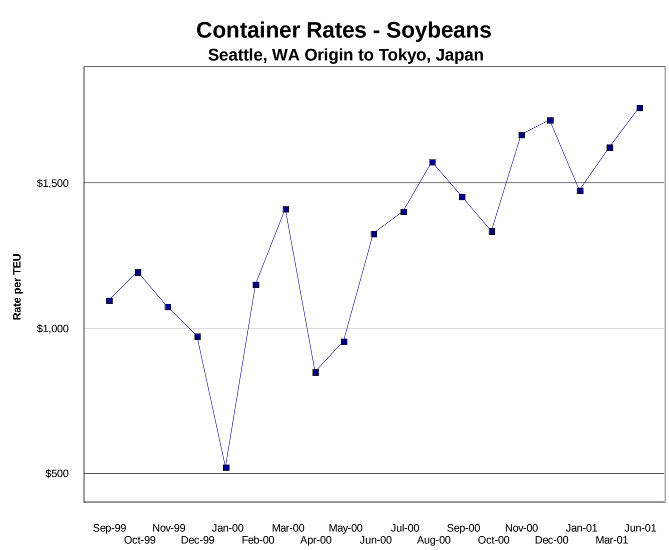
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
07/12/01	27	42	62	10			10	7	2
07/19/01	29	43	72	5			9	11	4
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

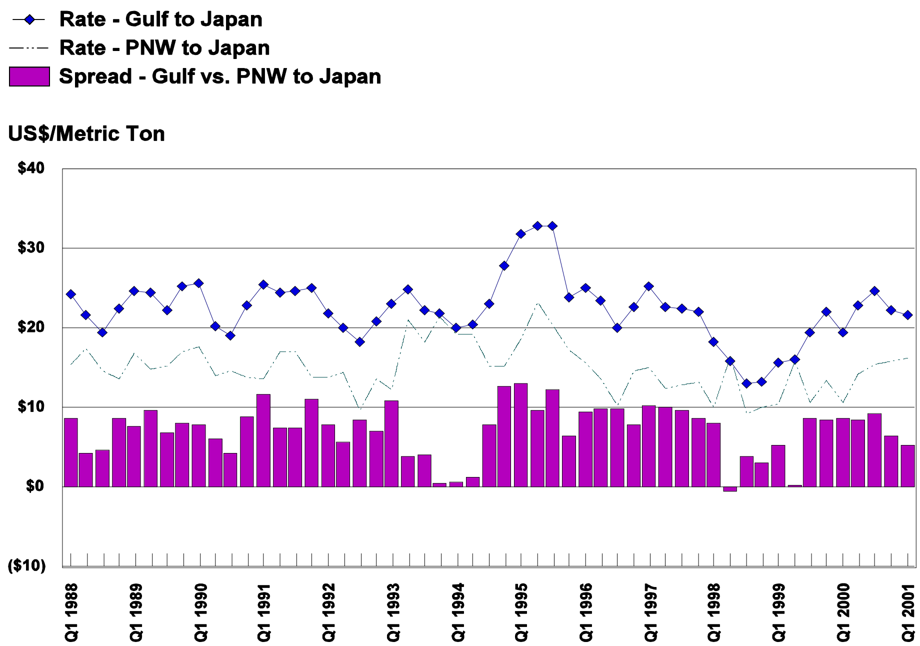
Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share





Source: Transportation & Marketing/AMS/USDA



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

Gulf to	2001 1st Qtr	2000 1st Qtr	% Change	Pacific NW to	2001 1st Qtr	2000 1st Qtr	% Change
Japan	$21.70	$21.15	3%	Japan	$16.36	$19.93	-18%
Mexico		$14.39		Red Sea/ Arabian Sea		$21.38	
Venezuela	$13.53	$11.29	20%				
N. Europe	$15.19	$14.25	7%				
N. Africa	$26.25	$18.40	43%	**Argentina to**			
				N. Europe	$16.47	$17.67	-7%
				Japan	$30.51	$27.23	12%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 7/21/01

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate ($Ton)
Great Lakes	Venezuela	Wheat	August 1/5	19,000	$16.00
Great Lakes	Venezuela	Heavy Grain	August 1/5	19,000	$16.00
Quebec, Canada	Spain	Wheat	August 6/10	55,000/60,000	$9.50
Albany	Mediterranean	Wheat	August 1/10	30,000	$15.50
Gulf	Port Cabello	Wheat	August 1/5	17,500	$16.00
Gulf	Egypt	Heavy Grain	July 18/25	55,000	$13.25
Gulf	Tunisia	Corn	July 19/25	26,000	$20.00
Gulf	Japan	Heavy Grain	September 5/15	54,000	$19.50
Parana River	Denmark	Grains	July 25/30	35,000	$19.00
N. France	Mumbai, India	Grains	July 25/30	18,000	$30.25

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option